DOCUMENT RESUME

ED 437 458 UD 033 246

TITLE	A Welfare Reform--Homelessness--Foster Care Connection? The Story of "Lag Families" and "Limbo Children" in San Diego.
INSTITUTION	Institute for Children and Poverty, New York, NY.; Homes for the Homeless, Inc., New York, NY.
PUB DATE	1999-09-00
NOTE	6p.
AVAILABLE FROM	Homes for the Homeless, Institute for Children and Poverty, 36 Cooper Square, 6th Floor, New York, NY 10003. Tel: 212-529-5252.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Children; *Foster Care; *Homeless People; Low Income Groups; *One Parent Family; *Parents; Poverty; Urban Schools; Urban Youth; Welfare Recipients
IDENTIFIERS	California (San Diego); Shelters; *Welfare Reform

ABSTRACT

An analysis of data from a survey of more than 100 parents residing in emergency shelter in San Diego, California, reveals a portrait of poverty that is prevalent among women and children in the United States today. Homeless families in San Diego, as in the rest of the country, are most often headed by women in their early thirties whose prospects for independence seem bleak. Only half have a high school diploma, and less than one-third have full-time jobs. Almost half of these families had already been homeless once before. The scarcity of shelter beds in San Diego forces families to sleep in motels, in shelter offices, and on lobby floors. Welfare rolls in San Diego have dropped roughly 18% since reforms were first implemented in January 1998, and family homelessness has soared. Three times as many families sought shelter this year as in the previous year. An alarming number of homeless parents are reporting that their children are being placed in foster care because of welfare reform. Evidence from San Diego suggests that welfare reforms are placing children's lives in "limbo." (Contains 2 tables and 18 endnotes.) (SLD)

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A REPORT OF HOMES FOR THE HOMELESS

UD033246

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A Welfare Reform–Homelessness–Foster Care Connection?

The Story of "Lag Families" and "Limbo Children" in San Diego

Amid all the debate over welfare reform—time limits, declining rolls, and workfare—the effect of these changes on children, the largest segment of welfare recipients, have been largely ignored. In San Diego, California, where welfare rolls have dropped by roughly eighteen percent since reforms were first implemented in January of 1998, family homelessness has soared.[1] Three times as many families sought shelter this year than the year before; as a result, homeless families with children are sleeping in shelter lobbies and on office floors.[2] At the same time, an alarming number of homeless parents are reporting that their children are being placed in foster care because of welfare reform. This evidence suggests that welfare reform may be placing children's lives in limbo.

Welfare Reform and Homelessness

Concerned by a recent surge in family homelessness, the County of San Diego surveyed more than 100 parents residing in emergency shelter in the fall of 1998. The Institute for Children and Poverty's analysis of that data reveals a grim portrait of poverty that is becoming all too prevalent among women and their children across America today.

As with the rest of the nation, homeless families in San Diego are most often headed by single women in their early thirties. Their prospects for independence seem bleak. Only half have a high school diploma, with less than one-third in full-time jobs. These parents have few avenues to achieve and sustain self-sufficiency, stymied by their inability to find appropriate child care and by the burdens of homelessness itself—the lack of a permanent address and the need to find shelter. Indeed, barriers such as these have created an unyielding cycle: almost half of the families surveyed have already been homeless at least once before (See Table 1).

Homeless parents in San Diego often struggle to find shelter for their children. The scarcity of shelter beds in the county forces families to sleep in area motels or in shelter offices and on lobby floors.[3] Others, unable to find shelter, live on the streets. In fact, in San Diego, children and their families live on the streets at *five times the national rate* (See Table 1).

Table 1: A Profile of Homeless Families: San Diego vs. U.S.

Characteristic	San Diego	U.S.	Characteristic	San Diego	U.S.
Sex	%	%	Last Residence	%	%
Female	84	95	Own Apt. or House	34	31
Male	16	5	Friends or Relatives	30	44
			Hotel/Motel	13	4
Age	%	%	Partner/Spouse	11	11
18 - 24 years*	13	30	Street	10	2
25 - 34 years	50	43	Other	2	8
35 - 44 years	34	24			
> 44 years	3	3	Recidivism	%	%
			Homeless more		
Avg. Age of Parents	33	29	than once	48	37
Race / Ethnicity	%	%	Employment Status	%	%
African American	14	58	Unemployed	85	79
Asian/PI	2	1	Employed	15	21
Latino/Hispanic	35	15	Part Time	67	34
Native American	5	2	Full Time	33	66
White	44	22			
			Avg. Age of Children	7	7
Marital Status	%	%			
Unmarried	65	81	Number of Children	%	%
Married	35	19	1	29	26
			2	24	28
Education Level	%	%	3+	47	46
< High School	46	32			
High Sch. or more	54	68			
				San Diego: N = 105	
English Skills	%	%		U.S.: N = 777	
Native Speaker	81	93			

* National figure includes those aged 15 to 24 years.

Source: Institute for Children and Poverty

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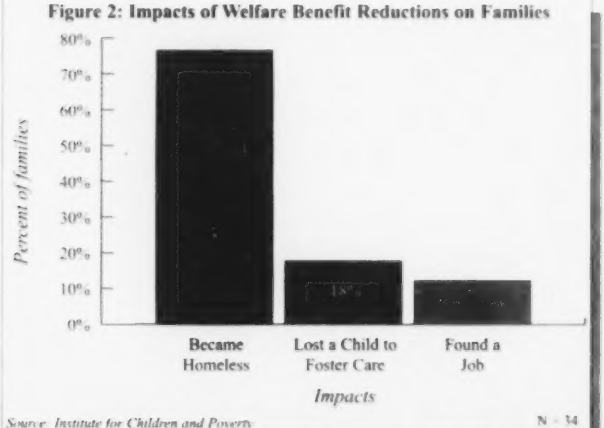
Figure 1: Homeless Parents' Time on Welfare (TANF)

Source: Institute for Children and Poverty N = 96

Nearly half of San Diego's homeless parents have received Temporary Assistance to Needy Families (TANF) for over two years. This long-term dependence on welfare could make these families' transitions off of welfare more challenging.

Moreover, homeless parents tend to have a long history of reliance on public assistance: almost half have been on welfare for over two years (See Figure 1). Welfare reform, however, has moved many of these families off the rolls; yet for those without minimum job skills or education, there is little chance of success for an immediate transition to long-term work and independence. They are in fact the "lag families" of welfare reform—those not yet capable of functioning independently and at the greatest risk of homelessness and family dissolution. While this group has been largely ignored, they are in fact the greatest threat to the success of welfare reform.

Figure 2: Impacts of Welfare Benefit Reductions on Families



Source: Institute for Children and Poverty N = 34

Over one-third (36%) of homeless families in San Diego had their welfare benefits reduced or suspended in the six months prior to the interview. Of those, 77 percent said they became homeless, 18 percent had their children placed in foster care, and only 12 percent said they found employment.

Homelessness and Limbo Care

More than one-third (36%) of all homeless families experienced reductions or terminations in their welfare benefits (TANF) during the six months prior to the survey. Of those families, *seventy-seven percent* said they became homeless directly as a result of benefit reductions. Even more disturbing, *eighteen percent* reported *losing a child to foster care* (See Figure 2). And although these observations emerge from just over a third of the survey sample, they are not foreign to other parts of the country.

Nationally, family homelessness has increased fifteen percent in the last year, and almost fifty percent of homeless parents who had been recently sanctioned reported becoming homeless directly as a result of those actions.[4] Though no other studies have documented a welfare reform-homelessness-foster care connection, parents across the country have reported placing a child in "limbo care"—which is a placement in either foster care, kinship care, or informally with friends or relatives.[5] In Washington, DC, *eleven percent* of homeless parents whose welfare benefits were reduced or terminated in the last year were forced to place at least one child in "limbo care" as a result.[6] In New Jersey, *ten percent* of welfare recipients who had their benefits reduced or terminated within the last six months placed a child in "limbo care."[7] And in Wisconsin, *five percent* of all welfare recipients who left the welfare rolls reported being forced to abandon a child to "limbo care."[8]

The Impacts

If there is in fact a relationship between welfare cuts, family homelessness, and foster care, the greatest toll is on the children themselves. Previous studies have reported that children who become homeless are more likely than their non-homeless counterparts to have health problems such as asthma, ear infections, and chronic physical disorders.[9] They also experience more educational delays: homeless children are *twice* as likely to be left back and *four times* more likely to drop out of school.[10] Furthermore, the impacts of foster care are even worse. More than *fifty percent* of the children in the San Diego foster care system changed foster families three or more times, which can have long-term consequences on a child's social and educational

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development.[11] In San Diego County last year, only half (51%) of the youth who aged out of the foster care system ever graduated from high school.[12] In New York City, approximately one-third of foster children became dependent on welfare within eighteen months of leaving the system.[13] Foster children are also more likely to become homeless as adults: forty percent of the nation's homeless were in foster care as a child.[14]

Finally, the fiscal impact of these relationships is significant. In San Diego, the cost of housing a family of three (a parent and two children) in a homeless shelter for one year is approximately $18,000, more than two and a half times the annual cost of welfare.[15] The cost of placing a child in a foster or group home can be anywhere from roughly $7,000 to $32,000 a year (See Table 2).[16] Although work and self-sufficiency are better alternatives, they are not yet possible for "lag families." Because this fact is being ignored, millions of dollars are being spent on unnecessary shelter and foster care placements that only increase the probability of another generation aging into chronic poverty and homelessness.

Table 2: The Cost of Shelter Placements per Family vs. the Cost of Foster Care per Child: California

# of Families (1 parent with 2 children)	Cost of Shelter Placements	# of Children	Cost of Foster Care Placement	
			Foster Home	Group Home
1	$18,000	1	$6,876	$32,124
100	$1,800,000	100	$687,600	$3,212,400
1,000	$18,000,000	1,000	$6,876,000	$32,124,000

Source: State of California Health and Welfare Agency

A group home placement for one child costs nearly twice as much as a shelter placement for an entire family. If 1,000 children were to be placed in group homes, the cost would exceeds the cost of sheltering those children and their families by more than $14,000,000.

Into the Future

The San Diego Regional Task Force for the Homeless estimates that 64,000 families in the county, with 126,000 children, will be impacted by welfare reform.[17] If one were to conservatively apply Wisconsin's five percent child displacement rate to San Diego, as many as 3,200 families could be forced to place a child in "limbo care," of which foster care is a significant component. With more than 4,000 children currently in foster care and more than 1,000 residing in the County's shelters, both systems are already at capacity.[18]

San Diego, along with other counties across the nation, must begin to monitor and evaluate the impact of local welfare policies across a broader set of indicators. Although the sample size in this study is small, preliminary observations signal larger problems. The success or failure of welfare reform can not simply be measured by declining welfare rolls or parent employment rates—these measures are too narrowly focused. We need to monitor the transition of "lag families" in particular and the placement of children in "limbo care." If parents who fail to successfully transition off welfare are being moved into shelters instead of work, and children moved into "limbo care" instead of safe homes with their families, something is drastically wrong.

Is there a link between welfare reform, homelessness and foster care? This report appears to be an early warning of a drift in that direction.

Footnotes

1. RAND Corporation, "1998 All-County Implementation Survey: Appendix," (1998) p 722.
2. Powell, R., "City Winter-Shelter Plan Might Fall Short," *San Diego Union Tribune* (October 1, 1998).
3. Ibid.
4. US Conference of Mayors, "Report on Hunger and Homelessness" (1998); Nunez, R., and C. Fox. "Ten Cities: A Snapshot of Family Homelessness Across America," Political Science Quarterly Vol.114, No.2. (1999).
5. "Kinship Care" is a foster care placement in the home of a relative.
6. Institute for Children and Poverty, "Inside the Beltway: The State of Homeless Children in Washington, DC" (April 1999).
7. Leusner, D., "Get-a-job welfare can put major strains on families," *New Jersey Star Ledger* (March 31, 1999).
8. DeParle, J., "Wisconsin's Welfare Plan Justifies Hopes and Some Fear," *New York Times* (January 15, 1999).
9. Sandel, M, J. Sharfstein, and R. Shaw. "There's No Place Like Home: How America's Housing Crisis Threatens Our Children," *Housing America* (1999).
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11. District One Supervisor Greg Cox Legislation, "Strengthening Foster Care Families in San Diego" (July 22, 1997).
12. Cox, G., "Fixing Foster Care in San Diego," *San Diego Union Tribune* (April 29, 1998).
13. District One Supervisor Greg Cox Legislation, " Life After Foster Care" (March 17, 1998).
14. Alexander, B. "National Foster Care Awareness Project," *Youth Today* Vol. 8., No. 3 (March 1999).
15. Los Angeles Coalition to End Hunger and Homelessness.
16. State of California Health and Welfare Agency, "Public Assistance Facts and Figures" (January 1998).
17. San Diego Regional Task Force on the Homeless (February 1999); (http: www.electriciti.com/homeless/families.html).
18. California Department of Social Services, "Selected Characteristics of Children in Foster Care at the End of Three Consecutive Years" (August, 1998); San Diego Regional Task Force on the Homeless, "Report on Family Shelter Counts" (September 1998).

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(February 1998)

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(April 1997)

For Whom the Bell Tolls: The Institutionalization of Homeless Families in America
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(April 1996)

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(January 1996)

An American Family Myth: Every Child At Risk
(January 1995)

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The New Poverty: Homeless Families in America
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